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GENERAL

- 1. US policy concerning aid to Iran--The Department of State (with the concurrence of the Department of Defense) has advised US Ambassador Wiley to tell the Iranian Chief of Staff, in reply to his recent inquiries, that Iran may be assured of all assistance compatible with available US resources in the event of war involving the US, Iran, and the USSR. The Department believes that because the USSR would in such a war have an aggressor's initial advantage, Iran should formulate plans for resisting as long as possible and for carrying on, if necessary, extensive guerrilla warfare. The Department points out that the US cannot be more specific in its advice or assurances because it cannot foresee what world-wide demands may be made upon the US if war breaks out.
- 2. Possible membership in Atlantic Pact—US Embassy London has been informed by the French Ambassador that the five western European union powers are in agreement that:

 (a) Iceland. Norway, Denmark, Portugal, and Ireland should be included in the proposed Atlantic Pact (France is alone in favoring an early inclusion of Italy); (b) the US, Canada, and the five powers should agree in principle upon the Pact before inviting other countries to participate in the discussions; (c) an Atlantic Pact "military committee" should be established; and (d) in order to avoid the unwieldiness of this large group, the western European union organization should be retained, with continuing US—Canadian representation. The French Ambassador also envisioned the eventual formation of a combined chiefs of staff, comprising only the US, the UK, France, and possibly Canada.

According to US Embassy Brussels, Prime Minister Spaak strongly favors the restriction of the initial Atlantic Pact membership to the US, Canada, and the five western European union powers because of his view that premature action to incorporate other nations would "dilute the results."

Document No. 045

State Dept. declassification & release instructions on file

TOP SECRET DDA Memo, 4 Apr 77
Auth: DDA REG. 77/1763
Date: 1 6 MAK 15/0 By: 028

Approved For Release 2007/03/08: CIA-RDP78-01617A006000030034-2

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3. US favors UN action on Kashmir-The Department of State has informed the US delegation at the UN that although it is inclined to view the Pakistani interpretation of Indian military activity as somewhat exaggerated, the Department considers the possibility of increased fighting there to be great enough to justify firm Security Council action. The Department layors a three-fold approach by the SC, including a cease-fire, a truce, and a plebiscite.

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TAR EAST

CHINA: Knomintang leaders seek to oust Chiang Kai-shel:—
The US Military, Naval, and Air Attaches in Nanking report that a group of important Fnomintang leaders are organizing to force the retirement of Chiang Kai-shek and to make peace with the Communists. The Attaches indicate that, the group, which represents nearly all important Nationalist factions except the Whampoa clique, plans at a 25 November meeting in Nanking to tell Chiang that he should yield power, thus enabling Li Tsung-jen to take over, issue a cease-first order, and open negotiations with the Communists. The Attaches believe that execution of this plan is improbable at present, largely because the Communists would probably not be willing to concede favorable terms to the bankrupt and defeated Government.